

Your name	Social security number	Occupation in which expenses were incurred
Employer's name	Employer's address	

**Instructions**

Use this form to show your business expenses as an employee during 1979. Include amounts:

- You paid as an employee;
- You charged to your employer (such as by credit card);
- You received as an advance, allowance, or repayment.

Several publications, available free from IRS, give more information about business expenses:

- Publication 463, *Travel, Entertainment, and Gift Expenses.*
- Publication 529, *Miscellaneous Deductions.*
- Publication 587, *Business Use of Your Home.*
- Publication 508, *Educational Expenses.*

**Part I.**—You can deduct some business expenses even if you do not itemize your deductions on Schedule A (Form 1040). Examples are expenses for travel (except commuting to and from work), meals, or lodging. List these expenses in Part I and use them in figuring your adjusted gross income on Form 1040, line 31.

**Line 2.**—You can deduct meals and lodging costs if you were on a business trip away from your main place of work. Do not deduct the

cost of meals you ate on one-day trips, when you did not need sleep or rest.

**Line 3.**—If you use your own car in your work, you can deduct the cost of the business use. Enter the cost here after figuring it in Parts IV, V, and VI. Base the cost on your actual expenses (such as gas, oil, repairs, depreciation) or on a mileage rate.

The mileage rate is 18½ cents a mile up to 15,000 miles. After that, or for all business mileage on a fully depreciated car, the rate is 10 cents a mile. (For depreciation, see Publication 463.)

Figure your mileage rate amount and add it to the business part of what you spent on the car for parking fees, tolls, interest, and State and local taxes (except gasoline tax).

**Line 4.**—If you were an outside salesperson with other business expenses, list them on line 4. Examples are selling expenses or expenses for stationery and stamps. An outside salesperson does all selling outside the employer's place of business. A driver-salesperson whose main duties are service and delivery, such as delivering bread or milk, is not an outside salesperson. (For outside salesperson, see Publication 463.)

**Line 5.**—Show other business expenses on line 5 if your employer repaid you for them. If you were repaid for part of them, show here the amount you were repaid. Show the rest in Part II.

**Part II.**—You can deduct other business expenses only if (a) your employer did not repay you, and (b) you itemize your deductions on Schedule A (Form 1040). Report these expenses here and under Miscellaneous Deductions on Schedule A. Examples are union or professional dues and expenses for tools and uniforms. (For details, see Publication 529.)

You can deduct expenses for business use of the part of your home that you exclusively and consistently use for your work. If you are not self-employed, your working at home must be for your employer's convenience. (For business use of home, see Publication 587.)

If you show education expenses in Part I or Part II, you must fill out Part III.

**Part III.**—You can deduct the cost of education that helps you keep or improve your skills for the job you have now. This includes education that your employer, the law, or regulations require you to get in order to keep your job or your salary. Do not deduct the cost of study that helps you meet the basic requirements for your job or helps you get a new job. (For education expenses, see Publication 508.)

**Part V.**—If you trade in a car you used in business for a new one you also used in business, fill out lines 1 through 15. If you paid cash for the new car or traded in a car not used in business, fill out only lines 10 through 15. Refigure the basis for depreciation each year in the future that your percentage of business use changes.

**PART I.—Employee Business Expenses Deductible in Figuring Adjusted Gross Income on Form 1040, Line 31**

1 Fares for airplane, boat, bus, taxicab, train, etc. . . . .		
2 Meals and lodging . . . . .		
3 Car expenses (from Part IV, line 21) . . . . .		
4 Outside salesperson's expenses (see Part I instructions above) ►		
5 Other (see Part I instructions above) ►		
6 Add lines 1 through 5 . . . . .		
7 Employer's payments for these expenses if not included on Form W-2 . . . . .		
8 Deductible business expenses (subtract line 7 from line 6). Enter here and include on Form 1040, line 24 . . . . .		
9 Income from excess business expense payments (subtract line 6 from line 7). Enter here and include on Form 1040, line 21 . . . . .		

**PART II.—Employee Business Expenses that are Deductible Only if You Itemize Deductions on Schedule A (Form 1040)**

1 Business expenses not included above (list expense and amount) ►	
2 Total. Deduct under Miscellaneous Deductions, Schedule A (Form 1040) . . . . .	

**PART III.—Information About Education Expenses Shown in Part I or Part II**

1 Name of educational institution or activity ►

2 Address ►

3 Did you need this education to meet the basic requirements for your job? . . . . .  Yes  No

4 Will this study program qualify you for a new job? . . . . .  Yes  No

5 If your answer to question 3 or 4 is No, explain (1) why you are getting the education and (2) what the relationship was between the courses you took and your job. (If you need more space, attach a statement) ►

6 List your main subjects, or describe your educational activity ►

**PART IV.—Car Expenses (Use either your actual expenses or the mileage rate)**

	Car 1	Car 2	Car 3
A. Number of months you used car for business during 1979 . . . . .	_____ months	_____ months	_____ months
B. Total mileage for months in line A . . . . .	_____ miles	_____ miles	_____ miles
C. Business part of line B mileage . . . . .	_____ miles	_____ miles	_____ miles

**Actual Expenses (Include expenses for only the months shown in line A, above.)**

1 Gasoline, oil, lubrication, etc. . . . .			
2 Repairs . . . . .			
3 Tires, supplies, etc. . . . .			
4 Other: (a) Insurance . . . . .			
(b) Taxes . . . . .			
(c) Tags and licenses . . . . .			
(d) Interest . . . . .			
(e) Miscellaneous . . . . .			
5 Total . . . . .			
6 Business percentage of car use (divide line C by line B, above) . . . . .	_____ %	_____ %	_____ %
7 Business part of car expense (multiply line 5 by line 6) . . . . .			
8 Depreciation (from Part VI, column (h)) . . . . .			
9 Divide line 8 by 12 months . . . . .			
10 Multiply line 9 by line A, above . . . . .			
11 Total (add line 7 and line 10; then skip to line 19) . . . . .			

**Mileage Rate**

12 Enter the smaller of (a) 15,000 miles or (b) the combined mileages from line C, above . . . . .	_____ miles
13 Multiply line 12 by 18½¢ (10¢ if car is fully depreciated) and enter here . . . . .	_____
14 Enter any combined mileage from line C that is over 15,000 miles . . . . .	_____ miles
15 Multiply line 14 by 10¢ and enter here . . . . .	_____
16 Total mileage expense (add lines 13 and 15) . . . . .	_____
17 Business part of car interest and State and local taxes (except gasoline tax) . . . . .	_____
18 Total (add lines 16 and 17) . . . . .	_____

**Summary:**

19 Enter amount from line 11 or line 18, whichever you used . . . . .	_____
20 Parking fees and tolls . . . . .	_____
21 Total (add lines 19 and 20). Enter here and in Part I, line 3 . . . . .	_____

**PART V.—Basis for Depreciation of Car Used in Business (See instructions on front)**

Trade-in of Old Car:				
1 (a) Total mileage at trade-in . . . . .	_____ miles		5 Multiply line 4 by percentage on line 1(c) . . . . .	_____
(b) Business mileage . . . . .	_____ miles		6 Gain or (loss) on previous trade-in . . . . .	_____
(c) Business percentage . . . . .	_____ %		7 Balance of lines 5 and 6 (subtract gain or add (loss)) . . . . .	_____
(divide line (b) by line (a)) . . . . .			8 Depreciation allowed or allowable . . . . .	_____
2 Purchase price or other basis . . . . .	_____		9 Gain or (loss) on business part (Subtract line 7 from line 8 for gain; or line 8 from line 7 for (loss)). . . . .	_____
3 Trade-in allowance . . . . .	_____			
4 Difference (subtract line 3 from line 2) . . . . .	_____			
New Car:				
10 Purchase price or other basis . . . . .	_____		13 Multiply line 12 by the percentage on line 6 of Part IV . . . . .	_____
11 Estimated salvage value . . . . .	_____		14 Enter gain or (loss) from line 9 . . . . .	_____
12 Difference (subtract line 11 from line 10) . . . . .	_____		15 Basis for depreciation (Balance of lines 13 and 14: subtract gain or add (loss)) . . . . .	_____

**PART VI.—Car Depreciation**

Make and model of car (a)	Date acquired (b)	Basis (from line 15, Part V) (c)	Age of car when acquired (d)	Depreciation allowed in previous years (e)	Method of figuring depreciation (f)	Rate (%) or life (years) (g)	Depreciation this year (h)